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E.O. 12958: DECL: 08/16/2017
TAGS: IR KNAR KNNP PARM PREL GM
SUBJECT: MESSAGE ON ONGOING PROLIFERATION FINANCE
ACTIVITIES BY IRAN AND NORTH KOREA PASSED TO GERMANY

REF: A. STATE 114443
 1B. BERLIN 1102
 1C. STATE 72416

Classified By: Global Affairs Counselor Donald R. Shemanski, for reason
s 1.4 (b) and (d).

11. (S) Global Affairs officer delivered ref A demarche to the German Ministry of Foreign Affairs August 16 and to the Ministry of Economics and Technology August 17. Claudia Schuett, desk officer in the MFA's International Economic and Financial Policy Division, Ursina Krumpholz, Office Director of the Economics Ministry's Foreign Trade Law and Law of the Sea Division, and Juergen Friedrich, Office Director of the Economic Ministry's North Africa, Near and Middle East Division, thanked us for the information and said that German authorities would investigate it.

12. (S) Schuett and Krumpholz both discussed the issue of the December 2006 or January 2007 timing of the transaction in which North Korea's Green Pine Associated Corporation was to have received funding via an Iranian bank in Hamburg, Germany, to an account established in the name of the North Korean Embassy in Iran. As they noted, UNSCR 1747, sanctioning the sale of certain types of military arms to Iran, was not passed until March 2007. Therefore, Schuett and Krumpholz said, the German Government would have to determine whether the named transaction actually violated UN sanctions at the time. Nevertheless, they agreed that the German Government would act against any proliferation-related transactions to the fullest extent allowable by law.

13. (S) Concerning action to freeze the accounts of the Iranian bank in Hamburg, Krumpholz said Germany could only do this on a provisional basis, provided evidence could be obtained to link the transactions to proliferation activities. She noted that only the EU had the competency to freeze the bank's accounts permanently. In order for this to happen, Krumpholz said, Germany would have to uncover evidence that the bank had violated a UNSC resolution and then present the evidence to the EU Council. The EU Council, after evaluating the evidence, could then freeze the bank's accounts.

14. (S) Schuett also discussed the issue of Germany acting unilaterally against the Iranian bank in Hamburg. She said that Germany would be reluctant to freeze the bank's accounts outside the framework of the EU Common Position on UNSCRs 1737 and 1747. As she noted, any time that Germany acts unilaterally on any issue affecting other EU member states, the other states express their concern that Germany is overstepping its bounds.

15. (U) Post will report subsequent German response septel.

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